

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Administration  
Retirement and Benefits  
Component

## **Component: Retirement and Benefits**

**Contact: Guy Bell, Director, Retirement & Benefits**

**Tel:** (907) 465-4471 **Fax:** (907) 465-3086 **E-mail:** Guy\_Bell@admin.state.ak.us

### **Component Mission**

To assure benefits for public employees and retirees.

### **Component Services Provided**

Record keeping and counseling services for the following retirement systems:

- Public Employees' (PERS)
- Teachers' (TRS)
- Judicial (JRS)
- National Guard and Naval Militia (NGNMRS)
- Elected Public Officers (EPORS)

Record keeping and counseling services for two benefit programs:

- Supplemental Annuity Plan
- Supplemental Benefits System

Counseling services for the Deferred Compensation Plan

Administers group health insurance and life insurance programs for active state employees and retired members of the retirement systems, including claims adjudication and counseling. The division has offices in Juneau and Anchorage and provides services to other Alaskan communities by telephone, Internet/e-mail and during field trips.

### **Component Goals and Strategies**

TO ADMINISTER THE STATE'S RETIREMENT AND BENEFIT PLANS EFFICIENTLY AND EFFECTIVELY.

- Maintain accurate records
- Distribute benefits in a timely manner
- Protect participants' assets
- Negotiate most cost beneficial benefit plan rates
- Assist employers and employees to make informed decisions
- Provide the maximum in customer service at minimum in cost to the retirement trust funds and each participant.

### **Key Component Issues for FY2001 – 2002**

- Scheduled transition to a union-managed trust for active employee participants of the group health plan who are members of the General Government Bargaining Unit beginning July 1, 2001.
- Legislative changes to bring existing retirement systems statutes and regulations into compliance with the Internal Revenue Code.
- Board election for the Public Employees Retirement (PERS) as the term for one elected board member's seat is set to expire April 5, 2002.
- Retirement and Benefits Systems Growth: Projections prepared by the Division of Retirement and Benefits indicate that the number of PERS and TRS retirees will double over the next 10 years. We also project a gradual increase in the number of PERS and TRS active employees.

### **Major Component Accomplishments for FY2000**

- On-line computer services for active and retired members were enhanced.

- The employee benefits statement and open enrollment processes were combined to reduce the filing burden for benefits systems participants and contain costs.
- Conversion to the Combined Retirement system (CRS) computer system and implementation of computer systems changes for "Y2K" compliance.

**Statutory and Regulatory Authority**

AS 39.35, 2 AAC 35 Public Employees' Retirement System  
 AS 14.25, AS 14.20.310-345, 2 AAC 36 Teachers' Retirement System  
 AS 39.30.090-095 Group Health and Life Insurance  
 2 AAC 39 Long Term Care Insurance  
 AS 22.25, 2 AAC 37.010-090 Judicial Retirement System

**Key Performance Measures for FY2002**

**Measure: The length of time taken to process appointments to retirement.**  
*(Added by Legislature in FY2001 version.)*

**Measure: The number of health insurance reimbursement complaints.**  
*(Added by Legislature in FY2001 version.)*

**Measure: The average length of time taken to process health care claims.**  
*(Added by Legislature in FY2001 version.)*

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• The length of time taken to process appointments to retirement.			X		
• The number of health insurance reimbursement complaints.			X		
• The average length of time taken to process health care claims.			X		

**Retirement and Benefits**  
**Component Financial Summary**

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	5,384.2	5,784.7	5,913.1
72000 Travel	151.4	206.8	206.8
73000 Contractual	2,703.9	3,442.5	4,027.0
74000 Supplies	123.6	62.0	62.0
75000 Equipment	326.5	85.6	85.6
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>8,689.6</b>	<b>9,581.6</b>	<b>10,294.5</b>
<b>Funding Sources:</b>			
1007 Inter-Agency Receipts	61.4	1.2	1.2
1017 Benefits Systems Receipts	2,640.0	2,814.3	2,914.1
1023 FICA Administration Fund Account	90.9	112.9	112.7
1029 Public Employees Retirement Fund	4,149.5	4,662.1	5,123.4
1034 Teachers Retirement System Fund	1,635.9	1,873.8	2,022.6
1042 Judicial Retirement System	24.6	25.1	25.1
1045 National Guard Retirement System	87.3	92.2	95.4
<b>Funding Totals</b>	<b>8,689.6</b>	<b>9,581.6</b>	<b>10,294.5</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Interagency Receipts	51015	1.2	1.2	1.2	1.2	1.2
FICA Administration Fund Account	51040	90.9	112.9	112.9	112.7	112.7
Public Employees Retirement Fund	51065	4,149.5	4,662.1	4,662.1	5,127.4	5,103.5
Teachers Retirement System Fund	51090	1,635.9	1,873.8	1,873.8	2,022.6	1,999.7
Judicial Retirement System	51125	24.6	25.1	25.1	25.1	26.0
National Guard Retirement System	51135	87.3	92.2	92.2	95.4	94.2
Benefits System Receipts	51390	2,640.0	2,814.3	2,814.3	2,914.1	2,905.7
<b>Restricted Total</b>		<b>8,629.4</b>	<b>9,581.6</b>	<b>9,581.6</b>	<b>10,298.5</b>	<b>10,243.0</b>

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<b>Total Estimated Revenues</b>		<b>8,629.4</b>	<b>9,581.6</b>	<b>9,581.6</b>	<b>10,298.5</b>	<b>10,243.0</b>

## Retirement and Benefits

### Proposed Changes in Levels of Service for FY2002

- Access to on-line computer services for active and retired members will be further enhanced.
- A customer service initiative will be implemented to improve direct service to active and retired members who contact the division. Service enhancements will include an 800 number and staff whose main purpose is answering telephone and mailed inquiries.

### Summary of Component Budget Changes

#### From FY2001 Authorized to FY2002 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>9,581.6</b>	<b>9,581.6</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 2 Labor Costs - Net Change from FY2001	0.0	0.0	3.0	3.0
-CHAPTER 109 SLA 00 Fiscal Note Reduction	0.0	0.0	-4.0	-4.0
<b>Proposed budget increases:</b>				
-R&B DP Systems Enhancements	0.0	0.0	200.0	200.0
-R&B Legal Services	0.0	0.0	62.5	62.5
-R&B Medical Examination Services	0.0	0.0	20.0	20.0
-R&B Actuarial/Benefits Consulting Services	0.0	0.0	180.0	180.0
-R&B Communications Enhancements	0.0	0.0	26.0	26.0
-R&B PERS Board Election	0.0	0.0	100.0	100.0
-R&B Clerical Positions	0.0	0.0	125.4	125.4
<b>FY2002 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>10,294.5</b>	<b>10,294.5</b>

## Retirement and Benefits

## Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	100	103	Annual Salaries	4,507,584
Part-time	0	0	COLA	72,609
Nonpermanent	5	5	Premium Pay	24,909
			Annual Benefits	1,726,321
			<i>Less 6.61% Vacancy Factor</i>	(418,323)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>105</b>	<b>108</b>	<b>Total Personal Services</b>	<b>5,913,100</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant II	0	0	4	0	4
Accountant III	0	0	5	0	5
Accountant V	0	0	1	0	1
Accounting Clerk II	0	0	7	0	7
Accounting Spvr II	0	0	1	0	1
Accounting Tech I	0	0	1	0	1
Accounting Tech II	0	0	4	0	4
Accounting Tech III	0	0	2	0	2
Administrative Clerk I	0	0	3	0	3
Administrative Clerk II	0	0	4	0	4
Administrative Clerk III	1	0	2	0	3
Administrative Manager IV	0	0	1	0	1
Analyst/Programmer II	0	0	1	0	1
Analyst/Programmer III	0	0	1	0	1
Analyst/Programmer IV	0	0	5	0	5
Analyst/Programmer V	0	0	2	0	2
Data Processing Mgr III	0	0	1	0	1
Data Processing Tech I	0	0	1	0	1
Data Processing Tech II	0	0	1	0	1
Division Director	0	0	1	0	1
Information Officer II	0	0	1	0	1
Internal Auditor II	0	0	1	0	1
Internal Auditor III	0	0	1	0	1
Microfilm Equip Op I	0	0	2	0	2
Microfilm Equip Op II	0	0	1	0	1
Microfilm Equip Op III	0	0	1	0	1
Payroll Specialist II	0	0	1	0	1
Publications Spec III	0	0	1	0	1
Publications Tech II	0	0	1	0	1
Retirement & Benefits Spec I	1	0	6	0	7
Retirement & Benefits Tech I	0	0	2	0	2
Retirement & Benefits Tech II	2	0	17	0	19
Retirement & Benefits Tech III	0	0	7	0	7
Retirement Ben Manager	0	0	2	0	2
Retirement Ben Spec II	2	0	7	0	9
Retirement Ben Spec III	0	0	2	0	2
Secretary	0	0	1	0	1
<b>Totals</b>	<b>6</b>	<b>0</b>	<b>102</b>	<b>0</b>	<b>108</b>

